

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:2075
ANSWERED ON:05.08.2005
EXPORT OF GARMENT
Adsul Shri Anandrao Vithoba

Will the Minister of TEXTILES be pleased to state:

- (a) whether the Western market is looking towards various countries to fulfill their garment needs;
- (b) if so, the details thereof;
- (c) whether the quality of Indian garments has posed a great problem to fulfill the requirement of western market; and
- (d) if so, the steps taken by the Government to keep its brand image intact ?

Answer

MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA)

(a) to (c): Yes, Sir. The Western market is looking towards various countries including India to fulfill their garment needs. Till December, 2004, when India's export of textiles including garments to Western countries such as EU, USA & Canada was under quantitative restrictions, the quantitative restraint level of some categories of garments by these Western countries were fully utilized and embargo was imposed on some of the categories, meaning thereby Indian garments are very much in demand/needed by the Western market. After the removal of quota restrictions, export of garments has increased to these countries. The export of readymade garments has increased from US\$ 4.24 billion in April-February, 2004 to US\$ 4.40 billion in April-Feb, 2005. In order to grab a larger share of the western market, Indian textile industry needs to make more investment towards modernization to improve the quality of textile fabric and garment.

(d): The Government has been taking a number of steps from time to time to increase export of textiles including garments and to keep its brand image intact. Some of the important initiatives taken are as:

- i) 100% Foreign Direct Investment is allowed in the textile sector under the automatic route.
- ii) The Government has de-reserved the readymade garments, hosiery and knitwear from the SSI sector.
- iii) The Technology Upgradation Fund Scheme (TUFS) has been made operational from 1-4-1999 to facilitate the modernisation and upgradation of the sector.
- iv) To improve the productivity and quality of cotton, Government has launched Technology Mission on Cotton (TMC). The mission comprises four mini-missions, which are being jointly implemented by the Ministry of Agriculture and Ministry of Textiles. One of the important ingredients of the Mission is to improve cotton processing facilities by upgrading/modernizing the existing ginning and pressing facilities and setting up of new market yards/improvement of existing market yards.
- v) Ministry of Textiles has recast the Textile Centres Infrastructure Development Scheme (TCIDS) and Apparel Parks for Exports Scheme (APES) for speeding up the implementation of the Schemes and to actualize the vision of attaining export target of \$50 billion by 2010. This scheme is based on Public – Private Partnership (PPP) and envisages engaging of a professional agency for project execution.
- vi) The fiscal duty structure has been generally rationalised to achieve growth and maximum value addition within the country. Except for mandatory excise duty on man-made filament yarns and man-made staple fibres, the whole value addition chain has been given excise exemption option.
- vii) The imports of specified textiles and garment machinery items has been allowed at concessional rate of customs duty to encourage investments and to make our textile products competitive in the global market. The cost of machinery has also been reduced through fiscal policy measures.
- viii) Duty-free imports of 21 items of trimmings and embellishment are allowed to the garment exporters, upto 3% of their actual export performance during the previous year.
- ix) For speedy modernisation of the textile processing sector, Government has introduced w.e.f 20.4.2005, a credit linked capital subsidy scheme @10% under TUFS in addition to the existing 5% interest reimbursement.

x) National Institute for Fashion Technology (NIFT), its seven branches and Apparel Training & Design Centres (ATDCs) are running various courses/programmes to meet skilled manpower requirements of textile industry especially apparel in the field of design, merchandising and marketing.

xi) Facilities by way of eco-testing laboratories have been created to enable exporters to get the garments/textiles pre-tested for conforming to the requirements of importing countries.